



Memorandum City Manager's Office

DATE: Thursday, December 04, 2014

TO: Mayor and Council

FROM: David McIntire, Assistant to the City Manager for Real Estate

RE: Department of Veteran's Services Facility

Council is asked for guidance regarding the potential provision to the Arizona Department of Veterans Services of approximately 7-8 acres of City owned land currently used for materials storage on McMillan Mesa. The partnership model being explored could provide a 60 bed facility for veterans administered by the Arizona Department of Veteran's Services which would not only provide a valuable resource for veterans and their families, but would generate jobs and additional economic activity. Through the proposed model Tucson has developed a 120 bed facility and Yuma just provided the deed to 8 acres of City of Yuma owned land for the potential development of a 60 bed facility in their community.

The City's contribution would be the land. The State would be requested to provide 35% of the cost of development and a request for Federal funds for the additional 65% of the development costs would be made to the Veterans Administration. There would be no ongoing costs to the City of Flagstaff.

The land being considered is currently zoned Rural Residential. It is not defined through the Regional Plan per Council's guidance during the land inventory process. While the site has not been recently appraised, residential land on McMillan Mesa can be anticipated to have a high value and there has also been consistent public interest in the potential disposition of the City's lands in that area.

Staff is seeking direction on whether there is interest in further exploring the opportunity prior to investing additional resources.